

## Foreigners won't stem ageing population

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A NEW population study by a think-tank shows that even if Singapore has as many as one foreigner for every two residents in the next 40 years, the population will continue to age. At the same time, the labour force growth rate will decline.

This double whammy, in turn, will mean the number of working-age people to take care of each elderly person will keep sliding.

This was the conclusion from a set of population scenarios worked out in the study by the Institute of Policy Studies (IPS), released yesterday.

Said its Director, Mr Janadas Devan: 'Whichever scenario pans out, this country is going to face enormous challenges.'

The scenarios, prepared by population researcher Dr Yap Mui Teng, project how Singapore's population and labour force could look by 2050.

The study assumes the birth rate remains low and 30,000 new residents are added each year. The factor that is different in each scenario is the proportion of non-residents in the population: one-fifth, one-quarter and one-third.

The scenarios were presented for discussion at a roundtable organised by IPS and the Civil Service College, with 45 experts and academics discussing the impact on the economy, society, families and quality of life.

The scenarios are the most comprehensive to date as they take Singapore's total population into account, including residents and non-residents.

Residents refer to citizens and Permanent Residents (PRs), while non-residents are mainly made up of people on work permit or employment pass, foreign students and dependants.

Earlier studies by IPS and the Government had left out non-residents.

The study shows that at the most aggressive intake of foreigners, when one-third of the people are non-residents, Singapore's total population would grow to 7.3 million, and its workforce to 4.4 million, by 2050.

If the intake is lowered to one-quarter or one-fifth, the total population will be 6.1 million, and the workforce, 3.5 million.

Depending on the scenario, the rate of growth of the workforce is 0.9 per cent at its highest and 0.3 per cent at its lowest - well below Singapore's historical average of 3.6 per cent a year since 1970.

Mr Devan said the drop in labour force growth means Singapore must work hard on productivity growth. Singapore's target is to increase productivity by 2 per cent to 3 per cent a year for the next 10 years.

He also named two other areas that Singapore must concentrate on: raising birth rates and doing better at integrating foreigners into the country.

The IPS scenarios come on the heels of the Government's first occasional paper on population issues, which was released by the National Population and Talent Division (NPTD) last week. That paper studied five scenarios affecting only the citizen population. In each, the birth rate and the intake of new citizens were adjusted.

Its figures show the number of working-age citizens would also fall, even if the annual intake of new citizens reached 25,000.

The IPS study, besides expanding the study base to include the whole population, introduces the ratio of non-residents to residents as a key policy lever in managing Singapore's population. The different sizes of the total labour force and growth rates shed light on the future of economic growth.

When contacted, an NPTD spokesman noted that the IPS scenarios do not reflect official government numbers or forecasts.

Still, the key implications and trade-offs highlighted by the roundtable participants 'are useful inputs for NPTD as we review our population challenges for the White Paper on Population to be released at the end of this year', she added.